

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of)

CERTAIN RUBBER)
ANTIDEGRADANTS, COMPONENTS)
THEREOF, AND PRODUCTS)

CONTAINING SAME)

Investigation No. 337-TA-533

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Order No. 27: Initial Determination Granting Complainant's Motion No. 533-33
To Terminate As To The '538 Patent

On September 27, 2005, pursuant to Commission rule 210.21(a), complainant Flexsys America L.P. moved to terminate this investigation as to the allegations in the verified complaint, as supplemented, with respect to United States Patent Number 6,140,538 (the '538 Patent).¹ (Motion Docket No. 533-33.)

Complainant, in Motion No. 533-33, represented that the staff consents to Motion No. 533-33.

Respondents Korea Kumho Perochemical Co., Ltd. (KKPC), Sinorgchem Co., Shandong (Sinorgchem) and Sovereign Chemical Company (Sovereign) in a response dated October 6, 2005, to Motion No. 533-33 did not oppose said motion but requested that the pending Motion by respondents for Summary Determination of Inequitable Conduct in the Prosecution of the '538 Patent (Motion No. 533-30) be granted prior to any termination as to the '538 patent.

Respondents at 2 admit that the Commission has held that when determining whether to permit a complainant to withdraw certain patents or patent claims from an investigation:

¹ Complainant represented that it intends to submit the '538 patent to the United States Patent and Trademark Office for reexamination.

we give great deference to Commission ALJs in their conduct of section 337 proceedings. They are best positioned to determine, inter alia, whether certain conditions should attach to the termination of an investigation.

Certain Bar Clamps, Bar Clamp Pads, And Related Packaging, Display, and Other Materials, Inv. No. 3237-TA-429, Comm'n Op. at 5 (Feb. 13, 2001).

A complainant can seek partial termination of an investigation by withdrawing asserted claims or asserted patents pursuant to Commission rule 210.21(a)(1). See Certain Tool Handles, Tool Holders, Tool Sets, Components Therefore, Inv. No. 337-TA-483, Order No. 7 (Apr. 22, 2003) (granting motion for partial termination as to certain claims where complainant “determined not to proceed with the investigation as to [certain claims], on the ground that a reduction in the number of patent claims at issue will allow the parties to focus their attention on the ‘primary’ patent claims in a more expeditious manner and will also reduce the time and resources required from all of the parties and the administrative law judge to proceed with the investigation”). In the absence of extraordinary circumstances, such partial termination will be granted. Id. Moreover, while good cause need not be shown in support of a complainant’s voluntary request to withdraw patent claims from an investigation, it has been held that “good cause exists for a complainant to withdraw patent claims from an investigation where withdrawal would serve to ensure resolution of the issues remaining in the investigation in an orderly fashion.” Certain Data Storage Systems and Components Thereof, Inv. No. 337-TA-471, Order No. 21 (Oct. 8, 2002) (“The withdrawal of 64 claims will narrow and focus the issues in this investigation and allow all parties to concentrate their efforts on matters about [which] there is true controversy.”). The administrative law judge finds that the record establishes no

extraordinary circumstances that would prevent the partial termination of the investigation with respect to the '538 patent. Termination as to said patent cuts down on issues to be decided.

Respondents argued that "[o]ngoing district court litigation and Flexsys' proposed reexamination of the '538 patent" make it vital that Motion No. 533-30 be ruled upon. Some twenty years ago the Federal Circuit in Lannom v. U.S.I.T.C., 799 F.2d 1572 (Fed. Cir. 1986), in holding that the Commission did not have authority to redetermine patent validity when no defense of invalidity had been raised, stated:

The purpose of section 337 from its inception was to provide relief to United States industry from unfair acts, including infringement of United States patents by goods manufactured abroad. The statute authorizes the Commission to consider "all legal and equitable defenses", including that of patent invalidity, when, as the legislative history states, such issues are raised. The ultimate question is "one of congressional intent, not one of whether this Court thinks that it can improve upon the statutory scheme that Congress enacted into law". Touche Ross & Co. v. Redington, 442 U.S. 560, 578, 99 S.Ct. 2479, 2490, 61 L.Ed.2d 82 (1979). The Supreme Court has frequently observed that when Congress intends to grant a right of action, it does so clearly and unambiguously. In Middlesex County Sewerage Authority v. National Sea Clammers Association, 453 U.S. 1, 15, 101 S.Ct. 2615, 2623, 69 L.Ed.2d 435 (1981), dealing with an asserted private right of action, the Court stated "[i]n the absence of strong indicia of a contrary congressional intent, we are compelled to conclude that Congress provided precisely the remedies it considered appropriate."

We conclude, therefore, that Congress did not authorize the Commission to redetermine patent validity when no defense of invalidity has been raised. The Commission's holding that the '295 patent is invalid is vacated.

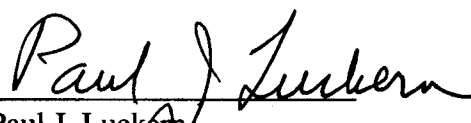
799 F.2d at 1580 (emphasis added). It should be undisputed that termination in this investigation, as to the '538 patent, cuts down on the issues to be decided including further action

on Motion No. 533-30. The administrative law judge finds nothing in the legislative history of section 337 which indicates that Congress authorized an administrative law judge at the Commission to assist in ongoing district court litigation or assist in a reexamination in the Patent Office.

Based on the foregoing, Motion No. 533-33 is granted.²

This initial determination, pursuant to Commission rule 210.42(c), is hereby CERTIFIED to the Commission. Pursuant to Commission rule 210.42(h)(3), this initial determination shall become the determination of the Commission within thirty (30) days after the date of service hereof unless the Commission grants a petition for review of this initial determination pursuant to Commission final rule 210.43, or orders on its own motion a review of the initial determination or certain issues therein pursuant to Commission rule 210.44.

On October 7, 2005, each of the private parties and the staff received a copy of this order.


Paul J. Luckern
Administrative Law Judge

Issued: October 7, 2005

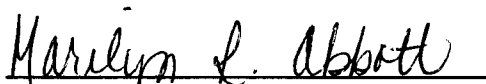
² Granting of Motion No. 533-33 moots any further action on pending Motion No. 533-30.

**CERTAIN RUBBER ANTIDEGRADANTS,
COMPONENTS THEREOF, AND PRODUCTS
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Investigation No. 337-TA-533

CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached **Order** was served by hand upon Commission Investigative Attorney Juan Cockburn, Esq. and upon the following parties via first class mail, and air mail where necessary, on October 11, 2005.


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